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RE: 2012 Legislative Update.

During the most recent legislative session, Governor Daniels signed Senate Enrolled Act 315, which becomes effective on July 1, 2012. SEA 315 made several changes to Indiana Code 4-32.2 and will require some revisions to the charity gaming section of the Indiana Administrative Code (68 IAC 21). Please visit the Charity Gaming Division's webpage (www.in.gov/igc/2339.htm) for the latest information and updates regarding any administrative rule changes. The relevant changes include:

Definition of "Qualified Organization"

The legislature amended the definition of qualified organization in IC 4-32.2-2-24. Qualified organizations need only exist for three (3) years instead of five (5) as previously defined.

Annual Comprehensive Gaming License

This new license allows national organizations the ability to conduct raffle or door prize events under a single license. A national organization is one which: operates without profit to its members; is exempt from taxation under Section 501 of the Internal Revenue Code; has a national membership; and has been continuously in existence in Indiana for three (3) years. A national foundation may also conduct events under the comprehensive license if the foundation operates without profit to its members, is exempt, is related to a national organization, and has annually provided grants exceeding \$50,000 in each of the prior three (3) calendar years.

Under the annual comprehensive license, a national organization will identify its affiliates and any workers at the national level who will be listed as operators for the raffle or door prize events. National organizations will be permitted to establish committees to conduct raffle and door prize events. Once qualified, when the national organization or its affiliates conduct an event, the organization will complete a notification form at least twenty-one (21) days prior to the event. At the conclusion of each event, the organization will complete a report regarding the event. National organizations and the affiliates operating under the national license are limited to no more than ten (10) events per week. At the end of the fiscal year, the organization will tally all of the events conducted throughout the year in a year-end report to determine the licensing fee for the following year.

Patrons may deal in “qualified card games”

Under IC 4-32.2-5-14, patrons may deal cards in a qualified card game as defined by statute or the Commission. A qualified card game includes euchre, Texas hold'em poker or Omaha poker. The rules for Euchre will remain unchanged. Under new IC 4-32.2-5-14.5, for Texas hold'em and Omaha, the following apply: (1) patrons may take turns dealing, but may not play in a hand for which the patron deals the cards; (2) the dealer shall submit the deck of cards to be cut to the nearest player to the right of the dealer; (3) a blank card must be at the bottom of the deck of cards; and (4) the operator or a worker shall deal the cards at the final table of the tournament.

Regarding rule (2), the Commission's interpretation is that the dealer must submit the deck to be cut to the nearest player to the right. The deck, however, need not be cut, but only submitted to be cut. The person to whom the cut is submitted may either cut the deck or decline to cut the deck.

Statewide Smoking Ban

Though not specifically related to charity gaming, the new statewide smoking ban has an impact on qualified organizations, but the ban was not part of SEA 315. On March 19, 2012, Governor Daniels signed House Enrolled Act 1149, which establishes a statewide smoking ban. While earlier versions of the bill contained an exception for charitable gaming, that exception was removed from the final bill. The bill, however, retains an exception for fraternal clubs as defined by IC 7.1-3-20-7. Fraternal clubs meeting that definition will be required to meet all of the requirements under new IC 7.1-5-12. The new law, however, allows local governmental units to pass a more restrictive ban than the statewide ban. Questions regarding the statewide ban should be directed to the Alcohol & Tobacco Commission (www.in.gov/atc). Questions regarding any local smoking ban should be directed to your city, county, or other local regulatory body.

If you have any questions or need additional information regarding this Legislative Update, please contact the Charity Gaming Division at (317) 232-4646.